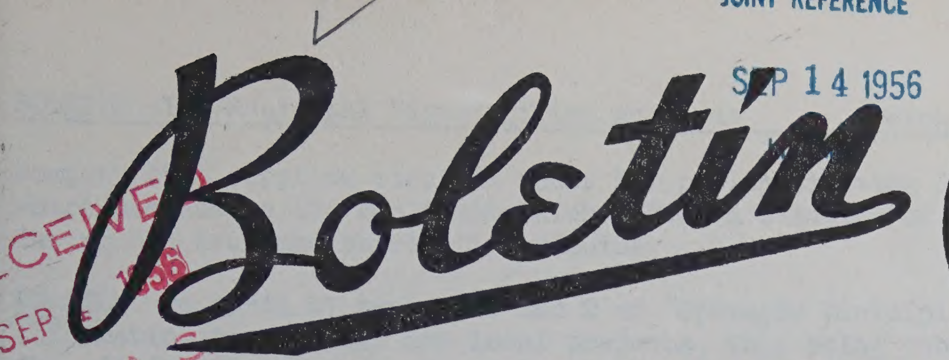
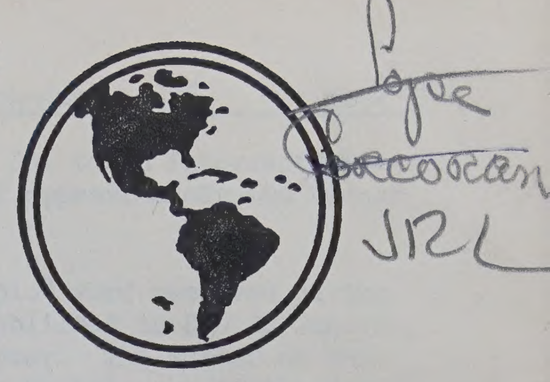




THE MUNICIPAL DIGEST OF THE AMERICAS

PUBLICACIÓN MENSUAL DE LA COMISIÓN PANAMERICANA DE COOPERACIÓN INTERMUNICIPAL, OBISPO 351, LA HABANA, CUBA. SOLICITADA LA FRANQUICIA POSTAL EN LA ADMÓN. DE CORREOS DE LA HABANA. DIRECTOR: DR. CARLOS M. MORÁN. COMPILADORA Y REDACTORA: BLANCA ROSA SÁNCHEZ. SUSCRIPCIÓN ANUAL: $1.50. SUSCRIPCIÓN COMBINADA CON LA "REVISTA MUNICIPAL INTERAMERICANA": $ 3.50 ANUAL.

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ARGENTINA. On April 3rd of this year with several events the City of Buenos Aires commemorated the one hundredths anniversary of its foundation, among which events was a Mass said at the Metropolitan Cathedral for the repose of the souls of the past mayors and collaborators with the City and a "Te Deum" of thanks for the anniversary that was being celebrated; a commemorative plaque of the discovery was placed in the front of the Municipal Palace at the place where the old Police Station and Bishopric had been located, that being the spot where the City Government was installed; an Exposition of Views and Prints of old Buenos Aires was held and also an exhibition of coins of the city and an academic act was held in the Municipal Museum of Spanish-American Art "Isaac Fernandez Blanco". Likewise a special medal was struck of the event and a pamphlet was printed showing the different acts of the commemorative services.

The organic function of the government of the City of Buenos Aires had its bases in a Decree of September 2, 1852.

Among the considerations that were taken into account for the official commemoration of this anniversary it was said "that the municipal regime is one of the most fruitful traditions of our organization since it goes back to the Spanish Cabildos under which the ideas of freedom that gave rise to our own nationality were created, and in no regime like the municipal regime is republican government exercised more efficiently nor is the will of the men organized in a society better manifested."

---- By Decree of March 6, 1956 the Department of Finances and Administration of the City of Buenos Aires was reorganized under the new name of Department of Administration and Coordination at the same time that the Department of Finances and Economy was created, the Department of Planning and Coordination which under the terms of said decree had absorbed functions pertaining to other departments and dedicating a large part of its activities to acts foreign to the administration of the city was suppressed.

The new Department of Administration and Coordination takes the following organs under its jurisdiction: the Divisions of Administration, Legal Matters, Personnel, Civil Registry, Juridico-Social Welfare, Investigations, Supplies, Statistics, Automotive Comptroller, Internal Social Welfare as well as the Administration of Real Estate, the Court of Misdemeanors, the Official Commission of the Municipal Autodrome of the City of Buenos Aires and the Council of Organization.

The Department of Finances and Economy shall have the following organs under its jurisdiction: Divisions of Finances and Revenue; Comptroller General's Office; General Treasury; Administration of Paving; the Municipal Social Prevision Institute and the Municipal Bank of the City of Buenos Aires.

---- The city government of Buenos Aires imposed a fine of three hundred pesos to a

previous editions. The city of Cabo Frio has a population of 10,175.

company that supplied electric power for public lighting due to an interruption which was due to its own fault which affected a radius of approximately two blocks during one hour and thirty five minutes.

BRASIL. On April 17 numbers 1 and 2 of "Operação Município" were received giving information on regional and local projects, this being published in Rio de Janeiro, the editions being those for February and March of this year. The Editor of this bulletin is Professor Araujo Cavalcanti, and Mr. Simão de Montalverne is the Secretary. The management is in charge of Professor Cesar Roraima dos Santos and the Treasurer is Mr. Ruz-Cleto Pimentel dos Santos. The editing and printing offices are located at the Caipó Building, P.O. Box 709, Rua Saint Romain 399, Copacabana, Rio de Janeiro, D.F., Brazil.

Under No. 1 there is published the bill covering the "Cabo Frio Operation" which is a local application of the Rio de Janeiro Operation to which we have referred in previous editions. The city of Cabo Frio has a population of 16,176 and an area of 516 square kilometers. This municipality has been named Cabo Frio since 1678 having been founded prior thereto on November 13, 1615 with the name of the City of Santa Elena.

This edition also includes articles by Araujo Cavalcanti, by Professor Francisco Burkinski on new bearings in administration for the Brazilian municipalities and new direction in the municipal operation, respectively.

In another article by Mr. Luciano Mesquita regarding national development and municipalism, some opinion expressed contrary to "Operation Municipality" are rejected with the following words:

"Those who have been opposing the "Operation Municipality" allege among other reasons the following:

a) the project is anti-economic since it deviates resources toward non-productive purposes;
b) the project establishes a new form of centralism, since it makes the cities (prefecturas) depend on the Federal government as had never been the case in the past;
c) the project will give rise to the creation of an autarchy and, consequently, of an organ to increase the picture of parasitary functionalism."

Mr. Mesquita explains that "the project was actually inspired by ideas which should produce effects other than those mentioned above. We cannot understand why the application of resources in the interior will be economically nonproductive if said application brings about an increase in the capacity for consumption. One of the preoccupations of the project is actually to develop services, works and enterprises which will bring about a permanent demand for industrial products. What cannot be expected is the expansion of that industry to any degree whose economic fertility represents zero. It is evident that if that were done without a proper technical orientation the results might be disastrous even for the incipient although most promising national industry. Therefore, the basic idea should be to select projects that will provide for the growth of that industry without having such growth involve factors of future difficulties".

"The fact is that "Operation Municipality", properly guided could really serve to correct the economy since it is evident that through its initiative the Government will redistribute resources the application of which might have an inflationary effect."

"As to the allegation that the cities would be dependent on the central government, this is something that we cannot agree is so, if the project provides that the latter will have charge of only its guidance and technical assistance. The fact is that no one, in good faith can assure the capacity of the interior of the nation in relation to the projects. If that capacity existed our country would not be a pre-capitalistic country; it would be a country whose capitalism would be nearly that of the United States and in that case our problems should be others and not those created by the "Operation Municipality".

"Decentralization, as we have already stated, follows degrees and refers to defined phases. The cities will have charge of the greater part of the construction of the projects, which it may do directly or through contracts. The cities will have charge of initiating the projects, they will handle the services and to them will be delivered the financial resources. The central power, or still better, the organization created to guide the execution of "Operation Municipality" will have charge of the technical assistance; the determination of the best way to do this or that or to obtain this or that."

"The need of technical assistance is a matter of culture. If the culture of the interior of our country should dispense with technical assistance, then Brazil would find itself in an enviable position before the world. That is why we are convinced that "Operation Municipality" will become a work of technological culture for the interior because through it many will go to become informed on how adequately to handle different problems of our times, including those of public administration in its relations with planning."

"Looking at it from a broad viewpoint, to what is due the backwardness of the interior? To a lack of economic capacity for its own development. And what does "Operation Municipality" intend to do? Initiate this capacity by investing economic resources within the area and bringing it knowledge which up to the present time is a privilege of the better developed areas. Therefore what is sought through "Operation Municipality" is to achieve a highly productive task in view of the educational roots on which it is inspired. "Operation Municipality" will be a school of government and at the same time will bring about a governmental interchange on a scale never known among us."

"One of the central ideas or directives of the "Operation Municipality" is to make use of our own resources. If the project is an instrument for the development of the municipalities, how can we achieve that development through the process of superimposition of administrative cultures? Through "Operation Municipality" the creation of an autarchy is not desired. What was foreseen was the creation of a simple and flexible organization, the main mission of which will be to coordinate ideas. The Executive Committee of the National Plan for Municipal Works and Services shall be, above all, a guiding organization in technical aspects and as we have said, one of coordination in the administrative phase. Another central idea or directive of "Operation Municipality" is that which refers to indirect administration. Everything that may be contracted for or for which bids may be called shall be contracted for and bids will be called. In this case there is no need to fear that there will be an army of officials, because the few that do exist will have the mission of controlling the legal and technical part of the project, leaving the actual construction to the municipalities and to concerns that are to carry out their projects."

"The extinguishes SALTE PLAN failed or was not carried out in many of its phase. Those that were carried out were carried out due to two factors that we consider

basic and which for that same reason were made use of by "Operation Municipality" a) simple and flexible administration; b) inter-partisan agreement for the guarantee of the political possibility of the admitted projects."

"If "Operation Municipality" is carried out on these two bases, as was our intention , we are sure of its benefits".

In edition No. 2 of the bulletin from which we have taken the above, there are certain paragraphs from the book entitled "General Directives of the National Development Plan", 1st. ed., Belo Horizonte, 1955, 5th part: Regional and City Planning, p. 245, written by the present President of Brazil, Juscelino Kubitschek de Oliveira, in which he reveals his municipalistic conviction, and since this is a matter of interest we have translated his words:

"Finally, I wish to speak about the municipality, to show how great is its importance as a unit for planning and as a field for the administrative work that is most dear to the people."

"For several years I was the municipal manager and was able to see, from the inside, the serious problems of the city, full of responsibilities and lacking resources. Although the Mayor of a large city I had the opportunity to study and discuss at length the arguments that defend an increase of responsibilities and of means for all the large and small municipalities."

"The municipal politics is one of the bad things that we have with us, because the more effective and useful are the public services the more they are directed and fiscalized by the community that benefits from it. The huge size of our territory is a factor that advices the placing of the services that directly interest the people within the sphere of the municipality".

"This fact is being better understood in the measure that we improve our politico-administrative institutions."

"In the meantime there have been ponderable resistance against the assignment of a larger percentage of the public revenue to the municipalities, almost always based on the allegation that the municipal administrations are in the majority incompetent, which is not the truth. The mere fiscalization of the people directly forces the municipal administrator to use a maximum of dedication and efficiency to his task. Should the municipality have more resources it would render better service to the community."

"This does not mean that an improvement of the pattern of the municipal administration is not necessary. In spite of the efforts that has already been made it is possible to improve the administrative organs of the city, of its accounting, its technical services and its functions."

"The critical point of municipal administration is the continuity of the administrative programs. As a fundamental cell of the political structure of the nation, the municipality is the essential field for political changes and for the contest between opposite tendencies."

"Only through a technique of planning which will define objective long term programs which will be depersonalized to the greatest degree will it be possible to

achieve the ideal of administrative continuity which will permit a gradual solution of the essential problems of the municipality."

"The municipality is the basic unit of administrative planning. It is necessary that the States and the Union organize services of municipal aid, to aid the cities in organizing their master plans of public works."

"Such an effort should be made by the national and regional associations in cities that really need the assistance of the Government."

"The greatest problems of the cities such as water supply and sewerage can be solved only through long term financing. Almost always the municipalities find the greatest difficulties in obtaining loans that will permit them to carry out the large works needed by the community, due to the lack of a directive plan and a well balanced financial measure."

"It is the duty of the state and federal governments to create conditions that will facilitate the long term payment of the cost of works essential to the cities."

"I am working in a plan of great interest in which I endeavor to give the National Bank for Economic Development and the Federal Economic Banks a more active participation in municipal financing. I hope that I may be able to reveal it shortly."

CUBA. The city of Cienfuegos, in the Province of Las Villas was recently honored by the National Traffic Commission as the "Traffic Jewel".

The movement of organizing traffic in that city was created at a meeting of the Lions Club of that City and immediately many persons began to collaborate with the idea, among them, Mr. Pedro Aragones, Editor of the newspaper "El Comercio"who was commissioned to take the first steps in such a constructive task. A small committee was formed which was immediately joined by Mr. Nicolas Machado whoe placed his newspaper "La Correspondencia" at the disposition of the committee, and radio stations "Radio Tiempo" and "Radio Cienfuegos" also cooperate. All of these effectively collaborated in a campaign of persuasion and propaganda which was carried on to create a favorable state of mind and to guide the movement before the enactment of the Traffic Code which was latter issued for the whole nation.

Recently Dr. Reinaldo Pino Varas, Mayor of Cienfuegos and President of the Cuban Intermunicipal Cooperation Organization, at a luncheon meeting of the Havana Lions Club stated: "The close connection between all the members of the Committee is so noteworthy that it deserves to be imitated, and I am sure that if this is done elsewhere, as we are doing, that is, if a similar organization is put to work, I can assure you in advance that the results will be favorable. Ours being organized, it was attended to without any waste of time, and not only met the demands that were made upon it, but gave publicity to what was being done through the press and official bulletins printed from time to time by the Committee, all of which efforts allowed us to succeed, furthermore, each of the members of the Committee has made constant efforts to see that the measures decided upon were carried out and with admirable persistence and zeal this has been achieved and is truly a great victory for citizen education".

Mayor Pino Varas went on to explain that besides the local authorities he obtain-

ed the collaboration of the Boy Scouts. A hundred of these boys, perfectly trained, directed traffic during the first few weeks by themselves immediately after the Code went into effect. They earned the admiration of the people due to their efficient action, and specially due to the respect with which they treated the public; being thus properly taught and warned, it was an easy matter to convince the drivers of vehicles that the advantage of the law precisely rested o them and that their own safety and that of their fellow beings depended on the obedience thereof.

"The streets of Cienfuegos are divided into preferential and secondary; on the corners and on the pavement is marked off the space for the pedestrians and the letter "P", for bus stops, at the proper corners and on the farther side of the street, that is, after crossing the street. The bus chauffeurs carefully fulf[illegible] this new stop system and the pedestrians invariably take the corners to cross the streets, the collaboration on the part of almost everyone being very noticeable. The greatest success of the system consists in the absolete elimination of blowing horns which shows that this is not necessary and on the other hand is a great advantage to those who drive and to the pedestrian who becoming accustomed not to hear them have one less thing to worry about. In Cienfuegos silence is an art and is so attractive that during the last few months the hotels have been full of travellers who came to our city to see whether that silence was true, which means that those excursionists want to live, even though a few hours, without troublesome noise. Whoever wants to live a restful life should come to the "Pearl of the South."

---- National Finance Corporation of Cuba. (See "Boletín -The Municipal Digest of the Americas", August, 1955). As per data taken from the "Resumen de Aniversario" (Anniversary Resume) of the National Bank of Cuba, April, 1956, this Corporation is an autonomous credit agency created by Law-Decree No. 1015 of August 7, 1953 to facilitate the financing of revenue-producing public works; to foster national saving; to attract foreign savings for the furtherance of its objectivs; to obtain concessions or franchises for national, provincial or municipal public works, or for projects promoted by private interests; and to issue securities with the specific guarantee of the revenue of each project financed or other resources of the institution.

The Finance Corporation has been operating for only two and a half years but it can already display some very encouraging results of its work, as shown by the following data: When the Organizing Committee was formed on August 18, 1953, its only resources were $2,000,100 representing the value of 20,001 Series A shares which, as provided by its statute, were subscribed by the National Bank of Cuba. By the close of December 1955, the capital of the Corporation was fully subscribed and paid in and its total assets aggregated over $82,000,000.

At the end of its first year of operations the Corporation paid a dividend of 3% to its stockholders, and during the last fiscal year the rate was increased to 3.1/2%.

Works financed by the Corporation already reach the sum of $72,370,000, as follows: Marianao Municipal Building $500,000; Expansion of the City of Havana Waterworks $14,000,000; Expansion of Cuban Electric Co.'s installations $18,000,000; Expansion of the Bauta, Punta Brava and Santa Fe Waterworks $500,000; Vehicular Tunnel under the bay of Havana and connecting throughfares $35,000,000; Expansion of the Sancti-Spíritus Waterworks $90,000; Maritime Terminal at Bahía Honda $280,000; and Barlovento Tourist Center on the Northern coast of Havana Province $4,000,000.

Special mention should be made of the Corporation's part in the financing of

Cuban Electric Co.'s expansion program, for it was a material contribution to the success of the plan involving an investment of $135,000,000 to increase electric power production. Details of the financing follow: Two loans granted by the National Finance Corporation ($8,000,000 in 1954 and $10,000,000 in 1955):$18,000,000; Loans obtained from the Export-Import Bank of Washington with the close collaboration of the Finance Corporation: $34,000,000; Cuban Electric Co.'s mortgage bonds sold to the public: $16,000,000; and Balance financed with reserves and operating surplus of Cuban Electric Co. (Approximate amount): $65,500,000.

The Corporation has also taken an active interest in the First Hydroelectric Cuban Corporation and subscribed $50,000 of its capital stock. Work on the Hydroelectric project is progressing steadily.

A note of interest regarding the expansion of the Havana Waterworks is that, according to technical reports submitted, the City's water supply has been increased by about 100,000,000 gallons daily.

Other projects of public interest currently under study are:

Sewer and drainage system, and street paving of the Municipality of Marianao.
Maritime Terminal at the port of Mariel.
Guanabacoa Public Market.
Completion of the Carlos III Public Market in the city of Havana.
Waterworks for a number of towns throughout the country.

Under consideration is also a plan whereby the Government will turn over to the Corporation the management of all its waterworks.

Since the development of water and electric power resources are basic factors in the development of the nation's economy, the significance and importance of the undertakings enumerated is self-evident.

Another of the basic functions of the National Finance Corporation is the mobilization of credit by attracting national and foreign savings for investment in securities specifically guaranteed by the projects financed. To date, the Corporation has made the following six bond issues; Havana Waterworks, 4%, 1954-1975; Cía. Cubana de Electricidad, 4.1/2%, 1955-1979; Havana Tunnel, 4.1/2%, 1955-1980, Bahía Honda Maritime Terminal, 4.1/2%, 1955-1980; and Barlovento Tourist Center, 4.1/2%, 1956-1970, which were totally subscribed on issuance.

It should be pointed out that one of the fundamentally attractive features of all the Corporation's issues, aside from their classification as National Public Securities and their fully tax-exempt status, is the protection afforded by the Corporation's power to take over the management of any concessions or works -irrespective of whether national, provincial, municipal or private enterprises are involved- at any time its Board has reasonable ground to suppose that there have been irregularities or negligence in the administration of such works.

Here again the Corporation has filled a definite need for a legal instrumentality to mobilize savings for investment in the field of public utilities -a productive sector of positive importance in the financial development of the country.

---- Expansion of Havana toward the East. Vehicular tunnel under the bay of Havana.

The following data is taken from an interesting article published by "El Mundo" in its edition of May 8, 1956.

The tunnel can be entered from the Havana side in three different directions: One for the venicles coming from the "Vedado", another for those coming along the "Avenida del Puerto", and the third for those coming from the heart of the City. Then, on the other side, there are three exits too, but none of them will interfere with the others thanks to the arrangement of the traffic flow at the entrance to the tunnel.

The project has a general grade of 5.75 meters with a covered length of about 800 meters and an overall length of between 2,600 and 2,900 meters, with injected air ventilation, drainage water pumping system for the water accumulated in the orchid of the tunnel, fluorescent illumination and internal dressing with ceramic material, which may be replaced with plastic material if the tests now under way prove satisfactory.

In general, the technique is predicated on the pre-fabrication of the cages, which are then carried to the site. In the dry-dock works it was necessary to make a prior injection in tye land, which is generally rocky. It was necessary to keep seven 10" pumping units in constant operation. The hardest work is that involved in the dredging of the bottom preliminary to the placing of the tubes. They are using small dredges and in the tocky parts they work from shore with specially constructed platforms. What constitutes the casing of the tunnel is being worked with an outer welded steel shield four milimiters thick, and on top of that the reinforcement and pre-reinforcement. The tunnel roof will be some 11.5 meters below sea level. The principal material used is reinforced concrets. The walls consist of five caissons, four of which are about 107 meters long, and one, the central one, is ninety meters long. The outside width of these caissons is 22 meters by an outside height of 7 meters, and each of them weighs about a thousand tons.

This project is being financed as foolows: The concessionaire, namely the "Compañía de Fomento del Túnel de La Habana" in collaboration with the National Finance Corporation of Cuba floated a 4.1/2% Bond issue secured by the franchise or concession authorizing said grantee to collect tolls for the use of the facilities covered thereby. Although the term of the concession is forty years, it may be liquidated at the end of thirty years, when the Cuban Government will take over the tunnel. When the contract for the works was signed between the "Compañía de Fomento del Túnel de La Habana" and the building contractors, a collateral contract was simultaneously signed between the "Banco de Comercio Exterior" and a sugar trading company which undertook to sell $28,000.000. in sugar, in quantities of not less than 100,000 tons every six months, and the "Sociedad de Mejoramiento de la Industria y Comercio de Francia" put up a two million dollars surety bond securing the proper performance of the contract.

It is expected that by the end of August or early next September the first caisson or tube constituting part of the tunnel proper will be laid, and that the whole project will be completed by March 19, 1958, that is to say, thirty months from September 19, 1955.

The sources of information of our publications can be consulted in the specialized library of the CPCI where it is sent by several organizations and private individuals.